

REMARKS/ARGUMENTS

This Amendment is being filed in response to the Office Action dated September 2, 2005. Reconsideration and allowance of the application in view of the remarks to follow are respectfully requested.

Claims 1-4 and 6-15 are currently pending in the Application. Claims 1, 13, 16, 19, and 20 are independent claims.

Claims 1-3, 13, 14, 16, 17, 19, and 20 are rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,895,453 to Cook ("Cook") in view of U.S. Patent No. 5,831,669 to Adrain ("Adrain"). Claims 5-9 are rejected under 35 U.S.C. §103(a) as being unpatentable over Cook in view of U.S. Patent No. 6,654,047 to Iizaka ("Iizaka"). Claims 4, 15, and 18 are rejected under 35 U.S.C. §103(a) as being unpatentable over Cook in view of Adrain in further view of U.S. Patent Publication No. 2004/0172260 to Junger ("Junger").

Cook shows a system for detecting fraudulent transactions of employees by analyzing polled data records 2 (see, FIGs. 1 and 2, Col. 5, lines 8-27). The data records shown are point of sale data (POS) 2A from cash registers (see, Col. 5, lines 12-13), personnel files 2B (see, Col. 5, lines 14-15), time and attendance data 2C for the employees (see, Col. 5, lines 18-19), and other accounting data 2D, such as over/short data and balances of individual cash

registers (see, Col. 5, lines 22-25). "The four categories of data records 2A, 2B, 2C and 2D are processed by data extraction process 10 to render data extracts 12 ... for later processing by LPM Engine 6." (LPM=Loss Prevention Management System of Cook, See, Col. 4, lines 18-20, and Col. 5, lines 31-33 and lines 36-38.)

Cook shows that the data extracts 12 are sorted into suspect categories of records (Col. 5, lines 45-46). The suspect categories of records are shown as selected sales (e.g., credit card, see, Col. 5, lines 49-52), merchandise returns (Col. 5, lines 55-56), employee purchases (Col. 5, lines 62-66), post-voided transactions (Col. 5, lines 66-67), no sales (Col. 6, lines 12-14), time and attendance records (Col. 6, lines 18-19), and weekly summaries (Col. 6, lines 24-25). All records used by the loss prevention management system of Cook are cash register detected or employment records (e.g., attendance etc.). Importantly, none of the rules for suspect categories are established from the records and the records are only non-image based. The suspect categories are pre-established and only non-image records are analyzed to determine if a given record falls into the suspect category.

While FIG. 11 does show the use of a video camera, it is only used for "verification of employee theft after designation of suspect transactions through the LPM" (see, Col. 13, lines 18-22).

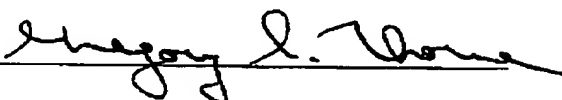
The combination of steps of the method of claim 1 (currently amended) for detecting a fraudulent event by a patron in a retail establishment are not anticipated or made obvious by the teachings of Cook. For example, Cook does not provide a method for detecting a fraudulent event by a patron in a retail establishment, that amongst other patentable elements, comprises (illustrative emphasis provided) "establishing a rule defining said fraudulent event, said rule including at least one condition based upon observation in real time of an action undertaken by said patron, relative to at least one prior action or inaction by said patron; processing at least one image of said retail location to identify said condition" as required by Claim 1, and as substantially required by each of Claims 13, 16, 19, and 20. The Office Action cites Col. 13, lines 16-35 for showing this feature, however, reliance on this section in Cook is misplaced because as discussed above, this section only teaches or suggests verification of a fraudulent event after designation of a suspect transaction. Adrain is cited for showing monitoring a patron (see, Office Action, page 3, lines 1-4), however, this does not cure the above deficiencies in Cook. Accordingly, Claims 1, 13, 16, 19, and 20 (currently amended) are patentable over Cook in view of Adrain and an indication to that effect is respectfully requested.

Based on the foregoing, the Applicants respectfully submit that independent Claims 1, 13, 16, 19, and 20 are patentable over Cook in view of Adrain and notice to this effect is earnestly solicited. Claims 2-9, 14, 15, 17, 18 respectively depend from one of Claims 1, 13, and 16 and accordingly are allowable for at least this reason as well as for the separately patentable elements contained in each of said claims. Accordingly, separate consideration of each of the dependent claims is respectfully requested.

In addition, Applicants deny any statement, position or averment of the Examiner that is not specifically addressed by the foregoing argument and response. Any rejections and/or points of argument not addressed would appear to be moot in view of the presented remarks. However, the Applicants reserve the right to submit further arguments in support of the above stated position, should that become necessary. No arguments are waived and none of the Examiner's statements are conceded.

Applicant has made a diligent and sincere effort to place this application in condition for immediate allowance and notice to this effect is earnestly solicited.

Respectfully submitted,

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